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AUTHOR Lawton, Stephen B.
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ABSTRACT

The decision to extend the public funding of Roman Catholic schools to include grades 11 through 13 carries with it both minor and major implications for the finance and organization of elementary and secondary education in Ontrario. If the school grant plan is to be successfully adopted, the following issues need immediate attention: (1) the definition of separate and public ratepayers; (2) the level of funding for grades 9 and 10 in the separate schools; (3) the adequacy and impact of grants for small schools and school boards; and (4) the short-term implementation costs as they relate to the exchange of staff, students, buildings, and other capital assets between boards. Major implications of this decision include the following points: (1) the long-term effects of the technical details of how education is financed can be substantial; (2) policymakers should therefore act knowingly; (3) policymakers should move with restraint, evaluating the effects of decisions as change occurs; and (4) policymakers must be concerned with the extent to which the economic prosperity of the Golden Horseshoe area of Ontario is utilized, for this might endanger the area's ability to drive the economy of Ontario and Canada. (DCS)

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THE PUBLIC FUNDING OF ROMAN CATHOLIC SECONDARY SCHOOLS IN ONTARIO: IMPLICATIONS FOR EDUCATIONAL FINANCE*

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Stephen B. Lawton
The Ontario Institute For Studies in Education

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The decision to extend the public funding of Roman Catholic schools to include grades 11 through 13 carries with it both minor and major implications for the finance and organization of elementary and secondary education in Ontario. This paper is concerned with both sets of implications; discussion of the minor implications of the decision will be provided first.

Minor Implications

This discussion of minor implications assumes that the basic structure of public and separate schools and their method of funding in Ontario will remain intact. That is, it is assumed that public boards of education and separate school boards will continue to exist as separate entities, each supported by distinct groups of ratepayers and each receiving provincial grants to equalize the resources available.

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With this assumption, one can identify a number of specific issues which require immediate attention if the school grant plan is to be successfully adapted to the new situation. Among these are the following items: 1) the definition of separate and public ratepayers; 2) the level of funding for grades 9 and 10 in the separate schools; 3) the adequacy and impact of grants for small schools and school boards; and 4) the short-term implementation costs as they relate to the exchange of staff, students, buildings and other capital assets between boards.

The Definition of Ratepayers

Two categories of ratepayers are of particular interest, residential ratepayers and commercial/industrial ratepayers. In the case of residential ratepayers, there are currently two major groups as far as elementary education is concerned; namely, supporters of public boards of education and supporters of separate school boards. As well, all ratepayers are currently supporters of secondary schools operated by public boards of education. With the extension of funding to grades 11 through 13 for separate schools, it becomes necessary to review the appropriateness of these groupings of ratepayers and to consider whether or not an alternative assignment of ratepayers to school boards might not be preferable.

There are at least three choices for allocating ratepayers to school systems that should be considered. First, although it may appear anomalous, it would be possible to leave the current

groupings untouched. Second, all separate school supporters who wish to do so could direct their taxes for secondary schools to the separate school board, which could operate a distinct secondary panel much as public boards of education do. Finally, one could allow ratepayers with children in school to allocate their taxes between the public and separate systems in proportion to the number of children they have enrolled in each system (an arrangement which currently is not allowed). Each of these options has implications for the grant regulations.[1]

The first option, leaving the current categories as they are, implies that, for grades 11 through 13, separate school boards would have no ratepayers and hence no residential assessment. Assuming, as well, that no commercial/industrial assessment is available at this level, the use of the current grant regulations to allocate funds at the secondary level to separate school boards would result in full provincial funding up to the grant ceiling (i.e., the greater of the board's ordinary expenditure per pupil or the maximum recognized ordinary expenditure per pupil) for these grades. Alternatively, a minor change in the definition of the grant ceiling for separate secondary schools to set it equal to the local public board's per pupil ordinary expenditure for secondary students would ensure full equality of per pupil expenditures on a regional basis.

Perhaps the only major objection to this first, straightforward solution to the treatment of ratepayers would be the symbolic implications of separate school supporters paying property taxes

to public boards of education. One might also argue that this approach would make separate school boards dependent upon the public board's determination of the appropriate level of per pupil expenditures in a given region, though this situation would probably be more beneficial to separate boards than their current de facto dependence on public boards' decisions as far as mill rates are concerned. That is, separate boards are fearful of setting mill rates appreciably in excess of those set in coterminous public boards.

A variation on this same alternative would be to fund separate school students in grades 11 to 13 as weighted elementary students, as is currently the case for separate school students in grades 9 and 10. For "full funding" at the secondary level, one could apply a weighting equal to the ratio of the secondary to elementary grant ceilings (a ratio of $3,140/2,297 or 1:1.37 for 1984, implying a weighting factor of .37 for these students contrasted with the .23 weighting factor used for grades 9 and 10).

The second option, to allow separate school ratepayers to direct their taxes for secondary schooling to their separate school board, appears more logical than the previous option. The only major problem with this option, at least in the short run, is the likelihood that for the next three to five years, many separate school supporters with older children may have children enrolled in both the new separate secondary schools and public secondary schools; e.g., a family might have a child enrolled in grade 11 in

a separate school this coming fall and another child continuing his or her education enrolled in grade 12 or 13 of a public secondary school. Under the current regulations, a parent cannot have children enrolled in both systems without paying tuition to at least one of them.

The third option, therefore, appears attractive because it would resolve this problem of having children from one family enrolled in both the public and separate systems by allowing parents to divide their taxes accordingly. If continued on a permanent basis, this policy would ensure that Catholic parents would have a maximum amount of choice in selecting a school system for their children. If extended to public school supporters, it would allow them this same choice, assuming separate schools agree to admit non-Catholics.

With both options 2 and 3 it is assumed that the current grant regulations for public secondary schools would be applied to separate secondary schools to provide equalization grants up to the grant ceiling, with separate school boards being allowed to raise additional funds by setting a tax rate in excess to that required for obtaining the maximum amount of provincial grant. Under the first option, they would be effectively limited to the grant ceiling.

The possibility of assigning commercial/industrial assessment to separate school boards to support a secondary panel inevitably opens the question of the fairness of the allocation of these

assessments between public and separate at the elementary level. Under current regulations, the vast majority of commercial/industrial assessment is assigned to public boards of education at the elementary level since only private businesses and small partnerships can effectively designate their taxes for the separate schools. If these same rules were applied to the secondary panel for separate schools, only a modest proportion of commercial/industrial assessment would be shifted from public boards of education to separate school boards. At the same time, it is expected that a far greater proportion of students will shift from the public boards to the separate school boards for secondary schooling. One result of this situation would be a considerable increase in the assessed valuation per secondary pupil in public boards of education. In a number of cases, this would probably mean that the public boards could raise all of the funds required to maintain their current level of per pupil expenditures at the secondary level from the local property tax; no longer would they require provincial equalization grants. At the same time, separate school boards would find it extremely difficult to raise expenditures per secondary pupil above the grant ceiling due to their low per pupil assessed valuation.

While there are arguments for providing non-sectarian public schools greater resources than sectarian schools (a matter to be discussed later), the current arrangements for determining the assessed valuation of a school board are rather arbitrary. Thus, it would appear that some more fair allocation of commercial/industrial assessment between boards is required. This

issue, which already has been discussed extensively in Ontario under the name of "pooling" or "the Martin plan", is made more urgent by the extension of funding to separate schools. My own preference is for a form of regional pooling rather than provincial pooling of commercial/industrial assessment, for reasons I will make clear in the second part of this paper.

Level of Funding for Grades 9 and 10

Since the mid 1970s, the provincial government has given increasing weights to students enrolled in grades 9 and 10 of separate schools. For 1984, the weight was .23, meaning that for each grade 9 or 10 student, separate school boards received a "bonus" of 23% of the board's grant ceiling in order to cover the higher expenditures associated with education at this level. In practical terms, these funds would be expected to pay for the more highly qualified staff and smaller pupil-teacher ratio found in these grades in comparison with those in grades 1 through 8.

With extension of funding, it would appear appropriate to fund grades 9 and 10 in separate schools at the full secondary rate. As suggested in the earlier section, this would call for a weighting of .37 (i.e., a "bonus" of 37%) for each student enrolled in these grades, and would cost the Province approximately $12,000,000.

An alternative to treating grade 9 and 10 students (and, in fall 1985, grade 11 students) as "weighted elementary pupils" would be

to create a distinct secondary panel within separate school boards to be treated as the secondary panel is treated in public school boards.

Yet another alternative would be to dispense with the distinction between the elementary and secondary panels, and to assign weightings to pupils enrolled in each of the secondary grades, these weightings to be derived from the estimated costs of education in each of these grades.

The last of these options is perhaps the most attractive in the long term, but its use would probably require considerable investigation into the cost of education in different grades and in different programs.

Grants for Small Schools and School Boards

Weighting factors established by the Ministry of Education for small schools and small school boards will apply to a larger number of school boards in the future due to both extension of funding and to declining enrolments. In others, extension will mean the division of an already small secondary school population into two (and sometimes more) groups, each requiring separate facilities.

Two questions present themselves. First, are the weighting factors for small boards and small schools sufficient to cover a higher cost associated with operating these small, and in economic

terms, inefficient schools and boards? Second, does the existence of weights result in the retention of unreasonably small schools and school boards, and the fostering of competitive rather than cooperative services?

The first issue cannot be answered without considerable cost data. Yet, even without an answer to this question, it is evident that public and separate boards unnecessarily duplicate numerous services, including transportation, special services, business systems, etc. That is, inefficiency is rewarded by the structure of the grant system, while cooperation and efficiency are not. It would seem, therefore, that amendments to the grant plan that would encourage the development of cooperative services would be appropriate.

Implementation Costs

By various estimates, it appears that thousands of staff, tens of thousands of students, and perhaps scores of school buildings and associated capital assets may be exchanged between public and separate school boards in Ontario. Associated with these transfers will be significants costs to personnel departments, legal staff, and business offices, to say nothing of the financial and emotional drain on individual teachers, support staff and school administrators. The burden of these costs, however, will not fall equally on all school boards. Some will remain relatively untouched, while others may find that over half their staff and schools will be transferred. (The latter figure is, to

be sure, a guess on my part; to my knowledge no "environmental impact study" has been conducted as yet to estimate the specific impact of the extension of funding on individual school boards.) Explicit recognition of these excess costs must be made and sufficient funds allocated, lest excessive work and stress produce a workforce unable to cope with the challenges that this massive reorganization will entail.

As well, there will be the more widely recognized costs associated with teaching the estimated 32,000 private R.C. students who will become separate school pupils over the next three years. Using the 1984 grant ceiling of $3140 per secondary pupil, this will amount to an additional annual cost of approximately 100 million dollars once implementation is complete.

While these four immediately recognizable implications of the extension of funding are perhaps only a partial list, they are the four which I believe can and must be dealt with in a direct and immediate fashion. My choice of the term "minor implications" for the heading of this section doubtless seems an understatement, but in my view, there are a number of broader and longer term implications of the extension of funding that are of far greater magnitude.

Major Implications

The major implications of the extension of funding for separate schools are, to my mind, the long term effects rather than the immediate technical issues that must be resolved. Extension of funding and the associated re-allocation of property assessment which I believe will inevitably accompany this decision will bring about a change in important contextual or environmental variables that will affect individuals' decisions as to place of residence and to type of schooling for their children. If the accompanying decision to create the Commission to enquire into the role and status of private schools in the province's educational system foreshadows a decision to provide full or partial funding to these institutions, then the magnitude of these effects will be significantly increased.

In the case of schooling, society is to a degree subject to the "tyranny of individual decisions." That is, individual parents, both in deciding to have children and in selecting schools for their children to attend, in large part determine the structure of our educational system. If parents have fewer children, there will be fewer schools; if they select special, board-wide programs (such as schools for the arts or French-immersion) for their children, there will be fewer neighborhood schools; if they select separate schools, there will be fewer public schools; if they select private schools, there will be fewer public and separate schools.

While it is easy to applaud family choice in education, and therefore praise any decision that may increase such choice, it is not altogether clear that society as a whole benefits from the pattern of schooling that arises from unbridled choice. The role of elite schools (denominational and non-denominational, publicly funded and privately funded) in reinforcing social class structures and attitudes has been documented (and attacked) in many nations. As well, the risk that a school system segregated by race, language or religions may give rise to or reinforce social and economic inequality is widely recognized. At a time when Canadian provinces are facilitating such segregation, numerous nations, including nations as diverse as the United States, Singapore and France, are fighting these "centrifugal" forces lest the fabric of their nations be pulled apart.

Thus, to assess the long term consequences of the extension of funding to separate schools (and the possible consequences of its own logical extension, the funding of private schools), one must guess at the choices that parents will make in selecting schools for their children and the effects that contextual variables (such as the extension of separate schools, funding of private schools, or changes in tax rates) may have on these choices. Unfortunately, to my knowledge, there is virtually no Canadian research on this topic.

A guide to thinking about this issue is provided by Albert O. Hirschman's book, Exit, Voice, and Loyalty.[2] In general terms, the title suggests the three options an individual has in relating

to (or communicating with) a school or other institution. Exit, in the case of schools or school systems, implies that a child's parents decide to move their child to another school or school system. Voice implies that if a child's parents are not satisfied with a school or school system, they let this be known--by voting for trustees who will respond to their desires or by registering complaints with teachers, principals, administrators and trustees. Loyalty provides a third option; that is, in spite of dissatisfaction, parents leave their child in a school or school system because of loyalty to the institution and the ideals it represents, and mute any criticisms they may have for fear of undermining the institution's strengths.

The basic structure of Ontario education twenty years from now, then, will be dependent primarily on how parents decide to exercise their options to exit (i.e., withdraw their children from one school or system and enrol them in another) or to remain loyal. Voice, while important in bringing about change at the provincial level (as evidenced, in part, by the decision to extend funding to separate schools), will probably not play a major role unless parents advocating a specific change become discouraged and decide to withdraw their loyalty. Even in that case, it is their exit rather than voice that will result in the decline of one educational sector and the increase in another.

How, then, will the extension of funding to separate schools affect parents' decisions? How would provision of public funds for private schools affect parents' decisions? Finally, how would

different decisions regarding issues such as the pooling of assessment, definition of ratepayers, and measurement of school board "wealth" affect these decisions? These questions, in effect, reverse the topic addressed in the title of this paper. Instead of looking at the affect of extension of funding on school finance, it addresses the issue of how decisions concerning school finance will affect the separate and other schools.

The answers to the first two questions, whatever they may be, provide the information needed to discern the development of elementary and secondary education in Ontario for at least the next decade. My own assessment is as follows. First, it would seem that extension of funding to separate schools removes at least one barrier that has impeded Catholics from enrolling their children in separate schools; i.e., the necessity of transferring the child to a public secondary school or paying tuition at a Catholic high school. Second, provision of funding, direct or indirect, to private schools would also encourage parents to select these schools by reducing the cost of these schools to parents. Thus, in the coming years we would expect growth in the percentage of students enrolled in the separate and private educational sectors, and a decline in the percentage enrolled in the public educational sector. If full funding were provided to private schools, a trend similar to that observed in the Netherlands after full funding of private Catholic and Protestant schools in 1920 would be likely. In its case, the public sector share of pupils declined from 69 percent to about 23 percent of all pupils.[3]

In Ontario's case, Roman Catholic separate schools are publicly funded and are operated by publicly elected boards of trustees. To date, Ontario Catholics have been loyal to this system; at the elementary level, there is only one private elementary school. However, if full funding were accorded private secondary schools, it is possible that a number of Catholic high schools that are currently private would choose to remain so rather than to join the publicly funded separate school system. In this case, both the public and separate school systems might find themselves losing share to the private educational sector.

In summary, then, it appears that the extent to which one group of schools (public, separate or private) gains or loses share will in part depend on four factors: 1) the level of funding provided private schools; 2) the level of funding of separate school boards; 3) the level of funding of public school boards; and 4) the level of taxes paid by residential ratepayers. The following analysis of each of these factors treats parents as "consumers" who will choose one system over another for reasons of cost and quality.

Private School Funding

A host of options exist for the funding of private schools, ranging from the status quo (in which certain indirect subsidies such as exemption from property taxes for non-profit educational institutions are provided) to full funding under the Ontario grant plan. As a rule, the greater the subsidy, the greater will be the

demand for private schooling, though this relationship may be affected by regulations that could accompany funding. Experience in other countries, such as Australia and the Netherlands, indicates that the level of funding, and perhaps the level of regulation, tend to increase with time. It is expected that recommendations of the Commission concerned with private schools in Ontario and of the Commission on school finance will provide a framework within which a more detailed assessment of the impact of this variable on the future of publicly operated education in Ontario can be made.

The Level of Funding of Separate and Public School Boards

The mechanism by which funds are allocated for educational purposes and the level of funds available are the two key factors as far as public and separate boards are concerned. If the current mechanism used in the grant regulations is maintained, then the question of pooling commercial/industrial assessments is probably the key issue. If the current mechanism is not maintained, and the province moves to full provincial funding, funding on a strict program basis, or whatever, then the nature of this new mechanism and its differential impact on individual boards becomes the key issue. I will limit discussion to the first possibility since, personally, I see no compelling reason to discard the current framework of grants, local property taxation, or the like. For all their problems, they are "devils we know".

As far as pooling is concerned, then, it was argued earlier that extension of funding will require a reallocation of commercial/industrial assessement, in order to provide separate school boards with the flexibility of spending above the grant ceiling and to ensure that public boards do not find themselves with excesses of assessed valuation and minimal numbers of students. But, should these resources be pooled on a provincial basis (as has been done in British Columbia) or on a regional basis? I believe it should be the latter.

There are several arguments in favour of regional pooling. First, it keeps the money at home, so to speak. The importance of this is perhaps illustrated in the case of a community faced with the decision to approve or not approve a new industrial plant. If none of the financial benefit associated with such a plant can be captured by the local ratepayers who must tolerate the discomfort and inconveniece such a plant normally brings, why should they support such a development?

Second, and somewhat more abstract, is the argument that exessive subsidy of one region by another inevitably distorts economic activity, represents an inefficient use of economic resources, and weakens the region from which the wealth came. Jane Jacobs, in her writings on the economic life of cities, develops this theme effectively, emphasizing the need for each city or region to reinvest in its own development and redevelopment.[4]

Finally, and this is related to the topic of the next section, there is evidence that the supposition that urban ratepayers enjoy a virtual tax holiday due to their area's substantial commercial/industrial assessment is a myth. In fact, urban ratepayers pay the most for education since the market value of residences in some urban areas, such as Metro Toronto, are about twice the provincial average. Thus, the average Metro Toronto ratepayer must pay $.26 to purchase $1.00 worth of education for each elementary pupil in the system, against a provincial average of $.15.[5] To pool the public board's commercial/industrial assessment with its coterminous separate board would increase this tax price substantially; to pool it provincially would be devastating. An excessive tax price would discourage ratepayers from investing in the education, thereby limiting expenditures to a level that parents who value education for their children would find unacceptable. Loyalty notwithstanding, exit to private schools would be their inevitable decision.

Assuming one proceeds with regional pooling of assessments, it must be recognized that certain forms of sharing favour the public boards (e.g., allocation by numbers of ratepayers) while others favour the separate boards (e.g., allocation by numbers of pupils). The latter is probably most fair, all other things being equal.

But are other things equal? As suggested earlier, public non-denominational schools perhaps deserve a higher level of funding than denominational schools, even those operated by

publicly elected trustees. The arguments for this view include: 1) public schools have a disadvantage in that they do not have the human and financial resources of a church to draw upon; 2) public school boards, by their very nature, serve as a forum in which all constituencies can have their say and in which fundamental social issues can be discussed without the restraints posed by church dogmas; 3) public schools, as all public institutions, belong to everyone and hence to no one; if funded at the same level as denominational schools, they will therefore be considered inferior since they do not profit from a transfer of commitment to a religion. That is, they have to be better, in a material sense, to be equal in a perceived sense; and 4) non-denominational public schools are the result of an evolution of educational philosophy closely tied to central elements of our political, social and religious history. Treating denominational or private schools as the equals of public boards of education implies a loss of commitment (i.e., of exit and disloyalty) to the ideals embodied in the public boards. Without an alternative set of ideals to provide professional educators in the public boards with a raison d'etre, these educators will experience a loss of direction and sense that they have been abandoned by societal leaders.

There are, of course, counter-arguments to those given above. The public system can be seen as the embodiment of Protestant Ontario (much as Newfoundland's Integrated school system is the embodiment of Protestant Newfoundland) and therefore no more than equal to the Roman Catholic separate system, in a moral sense. Thus,

equality of the two implies an equitable sharing of resources (and the "righting of an historic wrong"). As well, socio-biologists would warn us of the necessity of preserving our social genes, embodied in religions, languages, and cultures, along with the biological genes of the wild plants that gave rise to our food-crops. Diversity aids in survival and adaptation.[6] (This argument, of course, suggests steps to preserve private schools would be of high priorty to ensure, for example, that the ethics of, say, the Mennonites or the survival skills of the Native Peoples are not lost. Self-reliance may be its own reward, but in some imaginable situations, it may be the difference between survival or death. Also, just as we are all poorer when the last member of a species dies, so are we all poorer when the last person to speak a language dies.)

Personally, I would advise caution, and advise that our public boards be guaranteed extra funding (perhaps in the form of a weighting factor) to ensure their "most favoured status" continues for at least a decade. One mechanism for accomplishing this would be to provide different weightings for students in different programs. Since public boards will, in most cases, operate more extensive technical and vocational programs than will the separate boards for the forseeable future, providing students such high cost programs with higher weights would ensure money is directed where money is needed. However, one would also have to ensure that such a step was not interpreted as a release to separate boards from their obligation of providing a broad range of programs.

Measures of Wealth and the Ability to Pay

The wealth of school boards is currently measured in the form of property assessment; equalization grants are made to alleviate differences in board wealth up to the grant ceiling. While this seems fair at first glance, one must recall that taxes are paid out of income, not out of wealth that is locked up in a family home. It is quite possible for a person to own an expensive home yet, in terms of income, be living at the poverty level. This fact is, to a degree, recognized by the Ontario property tax rebate to the elderly and the property tax credit to those with low income. (Unfortunately, the first is not a taxable grant, so it is received by elderly ratepayers regardless of their income; and the second has not been increased appreciably in a decade so that it now has a negligible impact on the regressive nature of the property tax.)

The same situation, however, can occcur at a municipal level. Figures 1 and 2 report the the average market value of residential property and the average household income for counties and cities for Ontario according to the 1981 census.[7] Several points are striking. First, the average value of properities is a highly skewed distribution--most counties are near the average of $63,000, but two are twice this average. Income is more nearly distributed in a symetric fashion, though one county is significantly lower than the others and three cities or counties are considerably higher. Even then, however, the highest communities have household incomes only 50 percent greater than

FIGURE 1: AVERAGE VALUES OF DWELLINGS IN SOUTHERN ONTARIO COUNTIES AND CITIES (AVERAGE DWELLING VALUE $63,870)

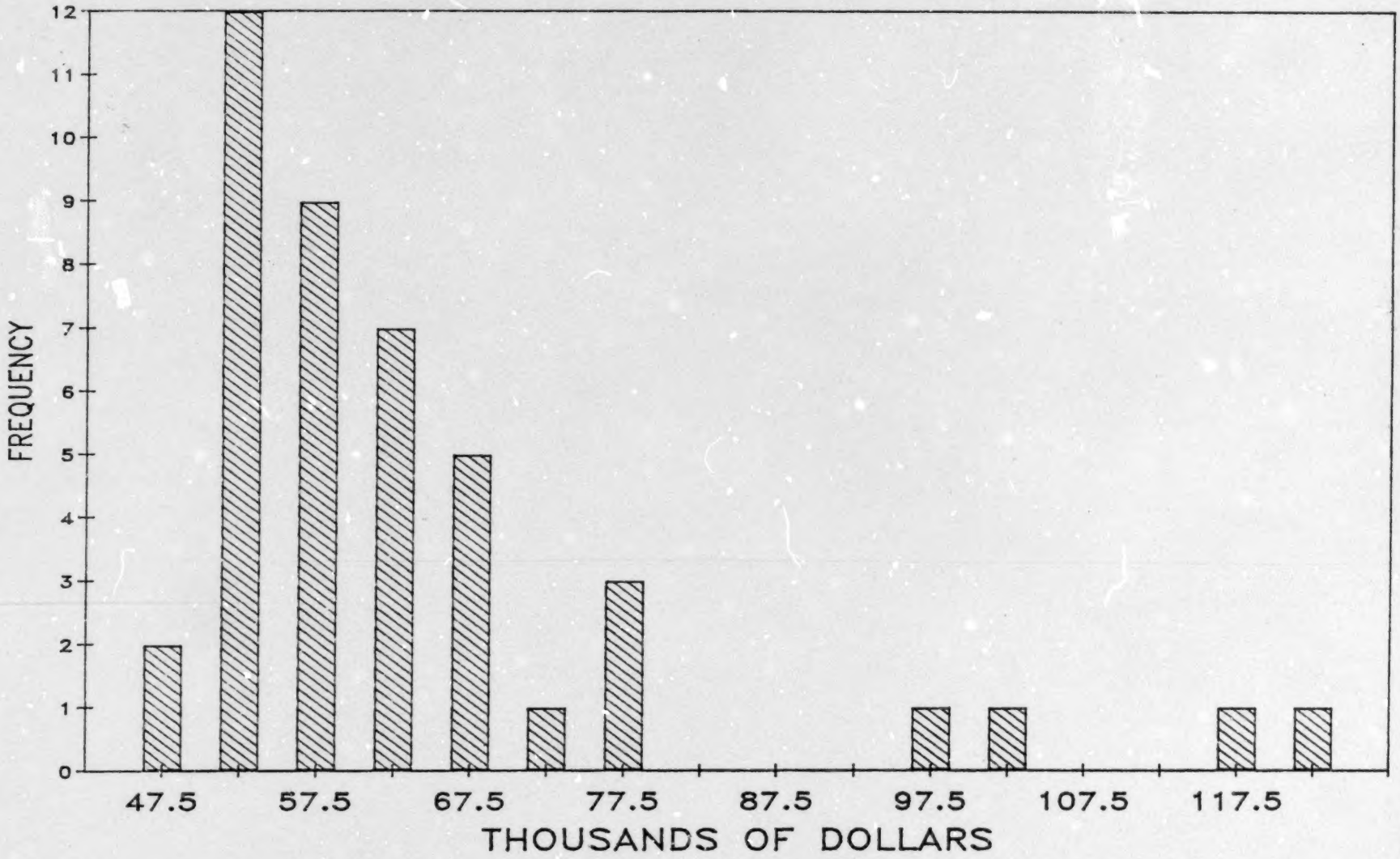
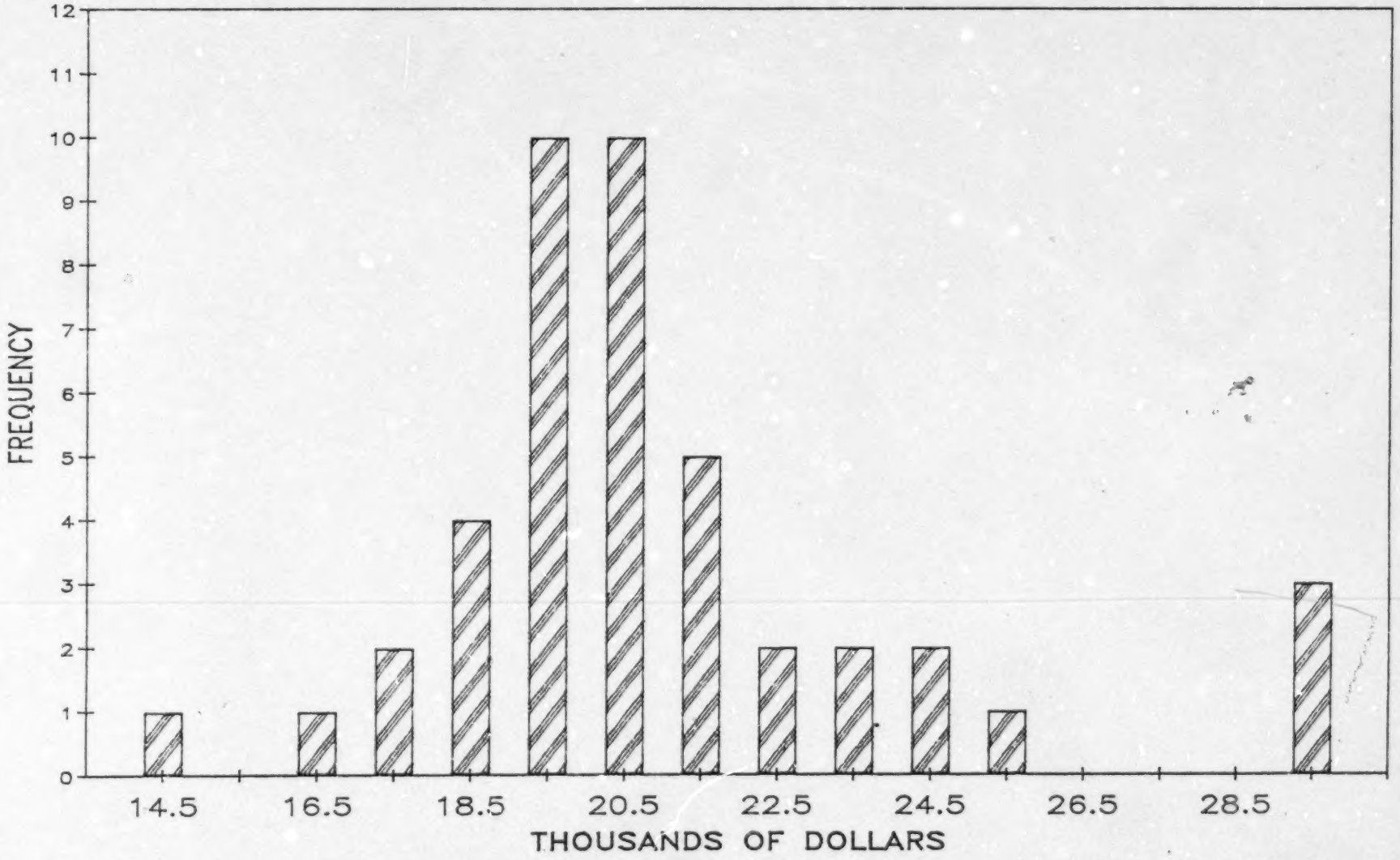


FIGURE 2: AVERAGE HOUSEHOLD INCOMES IN SOUTHERN ONTARIO COUNTIES AND CITIES (AVERAGE INCOME $20,978)



COEF. OF VARIATION .15

average, not twice the average in the case of residential properties. These differences in variation relative to the mean can be seen by comparing coefficients of variation-- .25 for the value of dwellings and .15 for household income.

Juxtaposing these data suggests that in a number of low or high income communities, the value of dwellings are much in excess of the individuals' ability to pay. The ratio of average income to the average dwelling value ranges from a low of .20 in Metropolitan Toronto to a high of .40 in Renfrew County; the provincial average is .34. Hence, using property wealth as the measure of ability to pay rather than income over-estimates the financial resources of those in Toronto by 40 percent ((.34-.20)/(.34) x 100) and underestimates the ability of those in Renfew County by 17 percent ((.40-.34)/(.34) x 100).

These data call into question the adequacy of the manner in which grants are allocated, suggesting that the ability of residents in some urban centres to pay is vastly over-stated by the value of their homes. In spite of this, and in spite of the the very high "tax price" paid in these areas, many of these residents continue to spend well above the provincial average on education. One explanation for this is that education is "demand driven" rather than "cost driven"; that is, residents of urban areas have very strong preferences for education and will pay the price. This explanation carries with it a warning: if restrictions are placed on the expenditures in public (or separate) schools in these

areas, parents may abandon the public systems for the private schools.

Taken together, these data suggest that the provincial grants ought to be more sensitive to the ability of individuals within boards to pay and that local autonomy will inevitably result in inequalities in educational expenditures--not because of inequities in the system but because of differences in communities' collective tastes for education.

Conclusion

Four major points sum up the implications of the issues discussed in this paper. First, the long term effects of the technical details of how we finance education can be substantial since they will affect the choices made by parents enrolling their children in Ontario's schools -- public, separate and private.

Second, in light of this, we whould act knowingly. We do not want to take decisions now that will result in Ontario's citizens finding themselves, twenty years from now, divided by class and caste.

Third, we should move with restraint, evaluating the effects of our decisions as change occurs. Too rapid a shift in the educational structure will create problems that will set groups against one another and would not provide the time needed to

develop a new understanding of what types of schooling are in the public interest.

Finally, we must be concerned with the extent to which we mine the ores of the Golden Horseshoe. Without a full opportunity for residents of this wealthy region to reinvest in human as well as physical capital in a socially responsible way, the "economic engine" that has been created in this area may decline and the wealth it produces may no longer be available to drive the economy of Ontario and Canada.

FOOTNOTES

1. Government of Ontario, Regulations - General Legislative Grants, 1984: Public, Separate and Secondary School Boards. Ministry of Education, Ontario, (Toronto, 1984).

2. Albert O. Hirschman, Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations, and States (Cambridge, Mass: Harvard University Press, 1970).

3. Dutch Schoolsystem (The Hague: Netherlands Ministry of Education, Arts and Sciences, 1960); p. 25.

4. Jane Jacobs, The Economy of Cities (New York: Random House, 1969).

5. Stephen Lawton, "Economic Models to Explain School Board Expenditures in Ontario". Paper presented at the American Educational Finance Association Conference; Orlando, Florida; March 15-17, 1984.

6. McKelvey, Bill, Organizational Systematics: Taxonomy, Evolution, Classification. (Berkeley, CA: University of California Press, 1982).

7. Figures 1 and 2 are based upon data for Ontario counties and cities in the 1981 Census Report, Census Divisions: Population, Occupied Private Dwellings, Private Households and Census and Economic Families in Private Households - Selected Social and Economic Statistics. Statistics Canada, Catalogue 95-942 (Volume 3 - Profile Series B). (Ottawa; Ministry of Supply and Services Canada, 1983).